

Message Text

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ORIGIN NODS-00

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APPROVED BY NEA:ADUBS

L - MR. ALDRICH

S/S: S. GOLDSMITH

S: H. COLLUMS

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FM SECSTATE WASHDC

TO USDEL SECRETARY IMMEDIATE

S E C R E T STATE 314118 TOSEC 340151

NODIS

E.O. 11652: GDS

TAGS: PFOR, EG, IS

SUBJECT: ACTION MEMORANDUM: AMOCO DRILLING IN THE GULF OF
SUEZ (S/S NO.7626355)
TO THE SECRETARY FROM DUBS
REFS: (A) CAIRO 17727; (B) CAIRO 17881

1. THE PROBLEM:

HERMANN EILTS REPORTS THAT FAHMY IS MAKING A MINOR CAUSE
CELEBRE OUT OF THE AMOCO DRILLING PROBLEM. FAHMY HAS
NOW TOLD HERMANN HE HAS SADAT'S AGREEMENT TO HIS PROPOSITION
THAT THE U.S. SHOULD BE ASKED TO ACT AS A MIDDLEMAN ON
THE ISSUE AND THAT WHENEVER THE AMOCO RIG IS TO BE DEPLOYED
TO THE EASTERN PART OF THE GULF OF SUEZ THE U.S. SHOULD
SIMPLY WORK IT OUT WITH THE ISRAELIS. HE HAS ASKED US,
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IN THIS CONTEXT, TO ADVISE THE EGYPTIAN GOVERNMENT WHEN THE
AMOCO RIG CAN BE SENT BACK TO 304.1. WHILE WE ARE
HEARTILY FED UP WITH FAHMY'S AGITATION OF THIS ISSUE, WE
SHOULD CONSIDER HOW BEST TO COPE WITH IT, ESPECIALLY IN
VIEW OF SADAT'S INVOLVEMENT.

2. DISCUSSION:

AS HERMANN POINTED OUT TO FAHMY, ON THE EXCUSE THAT THERE

IS AN AMERICAN COMPANY INVOLVED THE EGYPTIANS ARE TRYING TO USE US TO WIN THEIR GULF OF SUEZ DISPUTE FOR THEM WITH THE ISRAELIS. FAHMY, AND APPARENTLY SADAT, HAVE TAKEN THE FIRST OF THE FOUR POINTS WE WORKED OUT WITH THE ISRAELIS, I.E., THAT AMOCO SHOULD BE ALLOWED TO DRILL AT 304.1, AND REJECTED THE OTHERS, IN PARTICULAR THE SECOND ONE WHICH DEALS WITH ARRANGEMENTS FOR FUTURE DRILLING. YOU WILL RECALL THAT WHEN MAC TOON PRESENTED THE FOUR POINTS TO RABIN (TEL AVIV 7306), RABIN SAID HE ASSUMED THAT THE FOUR POINTS CONSTITUTED A PACKAGE AND THAT SADAT WOULD NOT BE ENTITLED TO SELECT, FOR EXAMPLE, THE FIRST ONE WITHOUT ACCEPTING THE OTHER THREE. WHEN TOON TOLD HIM HIS ASSUMPTION WAS CORRECT, RABIN SAID THE APPROACH WOULD GIVE HIM NO PROBLEM.

FRANKLY, WE SEE LITTLE THAT CAN BE DONE GIVEN THE APPROACH THE EGYPTIANS ARE TAKING TO THE PROBLEM. IN HIS MOST RECENT CONVERSATION WITH EILTS (CAIRO 17781), FAHMY HAS EVEN DISTORTED THE FACTUAL SITUATION ITSELF. HE HAS CLAIMED THAT THE AREA OF THE WESTERN SINAI MAINLAND NEAREST TO 304.1 IS PART OF TERRITORY RETURNED TO EGYPT UNDER SINAI II, WHEREAS IN REALITY IT IS ABOUT 20 MILES SOUTHEAST OF THE AREA RETURNED TO EGYPTIAN CONTROL. HE HAS ALSO CHOSEN TO IGNORE COMPLETELY OUR REPEATED STATEMENTS THAT, WHILE WE AGREE THAT AMOCO HAS A RIGHT TO DRILL IN THE AREA, OUR LEGAL REASONS FOR THIS POSITION

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ARE QUITE DIFFERENT FROM THOSE OF EGYPT, WITH WHICH WE DO NOT AGREE. FAHMY SEEMS NOT TO BE MAKING SERIOUS ARGUMENTS ON THE MERITS, BUT RATHER TO BE SIMPLY AGITATING THE ISSUE.

PARTICULARLY SINCE SADAT HIMSELF IS INVOLVED, HOWEVER, WE BELIEVE WE SHOULD RESPOND IN A REASONABLE WAY AND PUT THE BALL BACK IN THE EGYPTIAN COURT IN A SERIOUS ATTEMPT TO SOLVE THE PROBLEM, EVEN THOUGH SUCH AN ATTEMPT IS UNLIKELY TO BE RECEIVED SERIOUSLY BY FAHMY. WE HAVE TAKEN ANOTHER LOOK AT THE ORIGINAL FOUR POINTS AGREED WITH THE ISRAELIS TO SEE IF POINT 2 IN PARTICULAR CAN BE RECAST TO SEEM LESS OBJECTIONABLE TO EGYPT WHILE STILL MEETING ISRAEL'S BASIC NEEDS. WE HAVE DEVISED SOME NEW LANGUAGE WHICH, WHILE IT MIGHT NOT BE ACCEPTED BY ISRAEL IN THE END, WOULD BE REASONABLE ENOUGH FOR US TO GO BACK TO THE ISRAELIS WITH IF THE EGYPTIANS WILL BUY IT. THE NEW

FORMULA WOULD READ AS FOLLOWS:

-- IN ORDER TO SEEK PRACTICAL WAYS AND MEANS TO ENSURE ORDERLY OPERATIONS FOR THE FUTURE, FURTHER DRILLING IN SIMILAR LOCATIONS WILL BE SUBJECT TO DISCUSSIONS BETWEEN THE PARTIES, INVOLVING U.S. GOOD OFFICES.

THE ORIGINAL POINT READ AS FOLLOWS:

-- FURTHER DRILLING EAST OF THE MEDIAN LINE WILL BE SUBJECT TO DISCUSSIONS BETWEEN THE THREE PARTIES.

THE NEW VERSION WOULD PUT THE FURTHER DISCUSSIONS MORE IN THE CONTEXT OF SEEKING PRACTICAL ARRANGEMENTS RATHER THAN OF DEALING WITH THE RIGHTS AND PRINCIPLES OF CONTROL IN THE AREA.

AT THE SAME TIME, HERMANN COULD REITERATE THE ARGUMENTS FOR NOT BASING THE CASE ON LEGAL GROUNDS AND COULD REBUT
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SOME OF FAHMY'S MORE OUTRAGEOUS ASSERTIONS. THE FOLLOWING INSTRUCTIONS TO HERMANN, FOR YOUR APPROVAL, INCLUDE THESE POINTS.

3. BEGIN TEXT:

SECRET/NODIS TELEGRAM

TO: CAIRO IMMEDIATE

FOR THE AMBASSADOR FROM THE SECRETARY

SUBJECT: AMOCO DRILLING IN THE GULF OF SUEZ

REFS: (A) CAIRO 17727; (B) CAIRO 17881

THERE IS NO PRACTICAL POSSIBILITY OF AMOCO'S DRILLING AT SITE 304.1 IF WE FOLLOW THE COURSE THE EGYPTIANS ARE NOW PROPOSING. WHAT FAHMY HAS DONE, IN EFFECT, IS TO TAKE THE FIRST OF THE FOUR POINTS WE AGREED ON WITH THE ISRAELIS AND REJECT THE SECOND ONE. RABIN, WHEN HE ACCEPTED THE POINTS ORIGINALLY, DID SO SPECIFICALLY ON THE UNDERSTANDING THAT THE EGYPTIANS WOULD NOT BE ABLE TO DO THIS. I SEE NO POSSIBILITY WHATEVER OF TURNING THE ISRAELIS AROUND ON THIS POINT, PARTICULARLY IN THE PRESENT CIRCUMSTANCES OF THE TRANSITION IN THE U.S. GOVERNMENT. IN ADDITION, FAHMY IS MAKING ARGUMENTS THAT HAVE NO FOUNDATION IN FACT AND, AS YOU HAVE POINTED OUT, HAS CHOSEN TO IGNORE THE POINT THAT THIS DISPUTE REALLY INVOLVES EGYPT MORE THAN

IT DOES US.

NEVERTHELESS, PARTICULARLY GIVEN SADAT'S INVOLVEMENT, I THINK WE SHOULD CONTINUE TO MAKE SERIOUS AND REASONABLE EFFORTS, UNLIKELY THOUGH THEY MAY BE TO SATISFY FAHMY IN HIS PRESENT MOOD. YOU SHOULD CONVEY THE FOLLOWING MESSAGE TO HIM FROM ME, THEREFORE:

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-- THE U.S. CANNOT ACCEPT THE PROPOSITION, CONTAINED IN FAHMY'S MOST RECENT PROPOSAL, THAT IT SHOULD SIMPLY SEE TO IT THAT AMOCO CAN DRILL AT 304.1 WITHOUT ANY INVOLVEMENT OR RESPONSIBILITY ON THE EGYPTIAN SIDE. THIS ISSUE PRIMARILY INVOLVES EGYPTIAN INTERESTS AND EGYPTIAN-ISRAELI RELATIONS, RATHER THAN PRIMARILY AMERICAN INTERESTS. IN FACT, THE U.S. GOVERNMENT WOULD NOT UNDER NORMAL CIRCUMSTANCES MAKE THIS KIND OF EFFORT ON BEHALF OF AN AMERICAN COMPANY, BUT WOULD DISCOURAGE ITS ATTEMPTS TO OPERATE IN A DISPUTED SITUATION.

-- I MUST ALSO EMPHATICALLY REJECT THE THESIS THAT OUR UNWILLINGNESS TO FIGHT EGYPT'S BATTLE ON THIS ISSUE WITH ISRAEL, BEYOND THE POINT WE BELIEVE REASONABLE AND PRACTICAL, HAS ANY BEARING WHATEVER ON OUR WILLINGNESS OR CAPACITY TO HELP RESOLVE THE MAJOR ISSUES OF PEACE AND WAR IN THE MIDDLE EAST. THERE IS SIMPLY NO COMPARABILITY BETWEEN THE TWO SETS OF QUESTIONS.

-- NEVERTHELESS, IN AN EFFORT TO BE HELPFUL, WE WOULD BE PREPARED TO TRY ON THE ISRAELIS ANOTHER FORMULATION OF THE SECOND OF THE FOUR POINTS -- THE ONE THAT OBVIOUSLY GIVES THE EGYPTIANS THE MOST DIFFICULTY. IF THE EGYPTIANS WOULD BE INTERESTED IN PURSUING THIS LANGUAGE, WE WOULD BE PREPARED TO GO BACK TO THE ISRAELIS WITH IT, ALTHOUGH WE COULD NOT PREDICT HOW THEY WOULD REACT. THE NEW FORMULATION IS AS FOLLOWS: QUOTE IN ORDER TO SEEK PRACTICAL WAYS AND MEANS TO ENSURE ORDERLY OPERATIONS FOR THE FUTURE, FURTHER DRILLING IN SIMILAR LOCATIONS WILL BE SUBJECT TO DISCUSSIONS BETWEEN THE PARTIES, INVOLVING U.S. GOOD OFFICES. UNQUOTE.

-- FAHMY MADE TWO POINTS IN HIS MOST RECENT CONVERSATION WITH HERMANN EILTS THAT I FEEL REQUIRE SOME RESPONSE. HE ARGUES THAT THE AREA OF THE WESTERN SINAI NEAREST TO 304.1

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IS PART OF TERRITORY RETURNED TO EGYPT UNDER SINAI II. EVEN A CASUAL LOOK AT THE MAP WILL SHOW THAT THE SITE IS IN FACT SOME 20 MILES SOUTHEAST OF THE SOUTHERNMOST POINT RETURNED BY ISRAEL TO EGYPT UNDER THAT AGREEMENT. SECONDLY, FAHMY EXPRESSED SATISFACTION THAT OUR LEGAL PEOPLE DO NOT ACCEPT THE ISRAELI CONTENTION OF COMBAT BELLIGERENT RIGHTS. THE POINT WE WERE TRYING TO MAKE IN THE ARGUMENT HE REFERS TO IS THAT ANY CONCEIVABLE CLAIM TO CONTROL IN THE AREA BY THE ISRAELIS WOULD DEPEND ON THEIR STATUS AS A TEMPORARY BELLIGERENT OCCUPANT AND NOT AS A SOVEREIGN. WE DO IN FACT ARGUE THAT ISRAEL DOES NOT HAVE THE STATUS OF A TEMPORARY BELLIGERENT OCCUPANT BECAUSE WE CONSIDER THESE WATERS HIGH SEAS, AND NOT INTERNAL OR TERRITORIAL. THE EGYPTIAN LEGAL POSITION

HOLDS, ON THE CONTRARY, THAT THE WATERS ARE TERRITORIAL AND IN VIEW OF THAT EGYPTIAN STANDARD, IT IS NOT APPARENT ON WHAT BASIS EGYPT DENIES BELLIGERENT OCCUPANT STATUS TO THE ISRAELIS. IT IS IN PARTICULAR FOR THIS REASON THAT WE HAVE ARGUED REPEATEDLY WITH THE EGYPTIANS THAT THE HANDLING OF THE 304.1 ISSUE SHOULD NOT BE PUT ON LEGAL GROUNDS BUT ONLY ON GROUNDS OF PRACTICABILITY AND GOOD SENSE. END TEXT.

4. RECOMMENDATION:

THAT YOU APPROVE THE ABOVE MESSAGE TO CAIRO.

APPROVE.....DISAPPROVE.....

5. DRAFTED:NEA:ARDAY
APPROVED:NEA:ADUBS

CLEARANCE:L - MR. ALDRICH
S: H. COLLUMS
ROBINSON
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